

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 1997-239-C - ORDER NO. 2007-422
JUNE 27, 2007

IN RE: Proceeding to Establish Guidelines for an) ORDER ADDRESSING
 Intrastate Universal Service Fund (USF).) COST STUDIES AND
) ADMINISTRATIVE
) ISSUES

This matter comes before the Public Service Commission of South Carolina (the Commission) for the examination of various issues related to the South Carolina Universal Service Fund (USF). Order No. 2007-263 requested that the parties identify specific issues that should be addressed in this Docket. A number of the parties submitted issue lists, and we have reviewed these. Our review indicates that it is now appropriate to consider some of these issues.

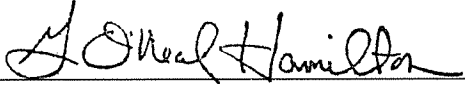
South Carolina Cable Television Association; Time Warner Telecom of South Carolina, LLC; NuVox, Incorporated; and CompSouth suggested that the commission revise its guidelines to ensure that Carriers of Last Resort are receiving their USF subsidies based on current cost information. In order to evaluate this suggestion, we reviewed our past orders in this case. Order No. 2001-419, dated June 6, 2001 rejected proposals to update cost studies in this Docket, based upon the fact that the cost studies were based upon forward looking models or embedded cost. This Commission held that these models and the embedded cost would not result in a significant change in the cost per line calculation over “a relatively short time frame of four to five years.” See Order

2001-419 at 42. This four to five year time frame is now past. Accordingly, we hold that the cost studies and the resultant cost per line used in the calculations for the Universal Service Fund shall be updated. The parties to this Docket shall have thirty (30) days from the date of this Order to file briefs describing their proposed approach regarding this update.

In addition, the Office of Regulatory Staff (ORS) submitted an issue list, dated April 3, 2007 which included eight issues for consideration by this Commission in this Docket. Four of these were administrative in nature, and consisted of the following: (1) changing the fund year to match the state fiscal year, (2) considering whether the Fund should be adjusted semi-annually, (3) establishing a time limitation for identifying reporting errors regarding overpayments, and (4) charging a fee for carriers filing USF reports late. We believe that we need to examine these issues in more detail, so as to aid our understanding as to their potential usefulness in the administration of the USF. For this reason, the parties shall also have thirty (30) days from the date of this Order to file further comments related to these issues.

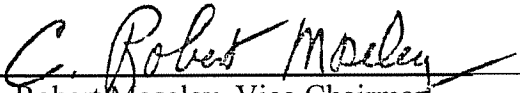
This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:



G. O'Neal Hamilton, Chairman

ATTEST:



C. Robert Moseley, Vice Chairman

(SEAL)